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15 UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

16 UNITED STATES DISTRICT COURT

17 NORTHERN DISTRICT OF CALIFORNIA – SAN FRANCISCO DIVISION

18 UNITED STATES of AMERICA for the Use
19 and Benefit of WEBCOR CONSTRUCTION,
20 INC. dba WEBCOR BUILDERS, and
21 WEBCOR CONSTRUCTION, INC. dba
22 WEBCOR BUILDERS,

21 Plaintiffs,

22 vs.

23 DICK/MORGANTI, a joint venture; DICK
24 CORPORATION; THE MORGANTI
25 GROUP; AMERICAN CASUALTY
26 COMPANY OF READING, PA;
27 NATIONAL UNION FIRE INSURANCE
28 COMPANY OF PITTSBURGH, PA, and
DOES 1 through 10, inclusive,

Defendants.

AND ALL RELATED COUNTER-CLAIMS;
THIRD PARTY COMPLAINTS; and
CONSOLIDATED ACTIONS.

Case No.: 3:07-CV-02564-CRB;
Consolidated with Case No.: 3:07-CV-07-
04180 EDL

**DECLARATION OF MICHAEL T.
AMBROSO IN SUPPORT OF
SUPPLEMENTAL BRIEF OF
AMERICAN CASUALTY COMPANY OF
READING, PA; AND NATIONAL UNION
FIRE INSURANCE COMPANY OF
PITTSBURGH, PA RE: MOTION TO
STAY PROCEEDINGS**

LAW OFFICES

**Peckar &
Abramson**

A Professional Corporation

DECLARATION OF MICHAEL T. AMBROSO IN SUPPORT OF SUPPLEMENTAL
BRIEF RE: MOTION TO STAY PROCEEDINGS

50283.01

Case No.: 3:07-CV-02564-CRB
Consolidated with Case No.: 3:07-
CV-07-04180 EDL

1 I, Michael T. Ambroso, declare as follows:

2 1. Unless otherwise indicated herein, the facts set forth below are personally known
3 to me, and if called upon, I am willing and able to testify in support of these facts.

4 2. I am the Assistant General Counsel and Assistant Secretary for Defendant Dick
5 Corporation. Dick Corporation is the managing partner of Defendant Dick/Morganti, a Joint
6 Venture formed between Defendants Dick Corporation and Morganti Texas, Inc.
7 Dick/Morganti's sureties for the construction project, which is the subject matter of this lawsuit,
8 are, Defendants and Third Party Complainants, American Casualty Company of Reading, PA
9 ("American"), and National Union Fire Insurance Company of Pittsburgh, PA ("National").

10 3. On behalf of Dick/Morganti, I have been involved in the San Francisco Federal
11 Building Project (the "Project") since 2003. I have detailed knowledge of the Project and the
12 events that give rise to this action, as well as detailed knowledge of Dick/Morganti's
13 relationship with the owner of the Project, the General Services Administration of the United
14 States Government ("GSA" or "Owner").

15 4. I have detailed knowledge of Dick/Morganti's history of presenting change order
16 requests to the GSA for the Project, as well as the current status of Dick/Morganti's preparation
17 of its Global Claim for the Project. Additionally, I have detailed knowledge of Dick/Morganti's
18 relationship with its subcontractors for the Project, including the Third Party Defendants: Boyett
19 Construction, Inc. ("Boyett"); Marelich Mechanical Co. Inc. ("Marelich"); Performance
20 Contracting, Inc. ("PCI"); Permasteelisa Cladding Technologies ("Permasteelisa"); and
21 Rosendin Electric, Inc. ("Rosendin"). I am also knowledgeable in the subcontractors'
22 performance on the Project, and issues that may have impacted that performance.

23 **PROJECT BACKGROUND**

24 5. On May 6, 2002, the GSA awarded Dick/Morganti the Base Contract on this
25 Project, the scope of work consisting of a constructability review, participation in design
26 resolution, site excavation, the development of a plan for removal of contaminated soil from the
27 site, and the actual removal of that contaminated soil. On February 25, 2003, the GSA then
28 awarded Dick/Morganti the construction phase of the Project. The total value of the Base

1 General Contract and the construction phase equaled \$137,346,965. The contract price was
 2 based on a set of drawings and specifications, which the GSA represented and warranted as
 3 being complete and accurate with which to construct the Project.

4 6. The Project is approximately 605,000 square feet and includes an 18-story office
 5 tower. The structural frame is made of steel reinforced concrete. The Project also includes a
 6 four-story annex, a separate public café, and a daycare facility. The building's design includes a
 7 complex natural ventilation system with, among other features, a full sunshade on the south
 8 façade of the tower, automatic window openers, and waved or "scalloped" concrete ceilings on
 9 the interior.

10 7. The original completion date for the Project was November 12, 2005, but the
 11 GSA recognized the Project as substantially complete on February 28, 2007, and an official
 12 dedication ceremony was held on July 7, 2007.

13 **THE GSA'S DEFECTIVE DESIGN**

14 8. As the Project began, Dick/Morganti and its subcontractors and suppliers
 15 attempted to install the work in accordance with the plans and specifications that the GSA and
 16 its architects and engineers provided. As the work progressed, however, Dick/Morganti and its
 17 subcontractors discovered numerous defects in the plans and specifications for which the GSA
 18 is responsible. Thereafter, the GSA issued numerous changes to the design that increased the
 19 scope of Dick/Morganti's and its subcontractors' work. Additionally, the GSA directed
 20 Dick/Morganti and its subcontractors to perform significant additional work, which
 21 Dick/Morganti believes was never part of its scope of work.

22 9. Due to the design defects, and as the GSA issued changes to the plans and
 23 specifications, Dick/Morganti and its subcontractors submitted Requests for Information
 24 ("RFIs") to the GSA. The RFIs sought clarification of the plans and specifications, as well as
 25 information about the insufficiencies and conflicts in the GSA's design. Dick/Morganti
 26 submitted approximately 4,200 RFIs to the GSA on the Project, and these RFIs relate to the
 27 thousands of discrete problems with the plans and specifications.

28 ///

10. The defects in the GSA's plans and specifications touched almost every aspect of the Project, including, but not limited to: improper and insufficient details on the amount and location of steel rebar for the foundations and structure; insufficient information regarding the finished surface of the concrete; incomplete design for the interior and exterior walls, including the load bearing components; incomplete design of the window wall and sunscreen; and problems with the design of the mechanical and electrical systems.

11. These defects and the disputed additional work directed by the GSA caused Dick/Morganti and its subcontractors to perform substantial additional work, including additional design work and the provision of additional labor and materials which were not part of the original scope of work. The substantial additional work also impacted the Project schedule and caused interruptions and delays to the sequencing of the trade work, which thereby decreased the efficiency in performing the work. All of this resulted in Dick/Morganti and the subcontractors incurring substantial, additional labor, equipment, and material costs.

SUBMISSION OF CHANGE ORDER REQUESTS

12. Due to the design defects and the added work directed by the GSA, the costs and amount of time necessary for completing the work increased dramatically for D/M and its subcontractors. Given the additional and changed work, Dick/Morganti, on behalf of itself and its subcontractors, presented change order requests ("CORs") to the GSA throughout the Project. The purpose of submitting CORs is to seek adjustments to the General Contract for additional compensation and time for completing the work. In other words, the CORs are based on changed or added work, which caused Dick/Morganti, its subcontractors, and suppliers to incur extra costs for labor, materials, equipment and/or other costs. .

13. Dick/Morganti presented to the GSA approximately 680 CORs totaling in excess of \$25,000,000 for this Project. Almost every one of these CORs includes amounts sought by Dick/Morganti on behalf of its subcontractors and suppliers for this changed or added work.

PROCEDURE FOR CORs UNDER THE GENERAL CONTRACT

14. The CORs were submitted pursuant to the Equitable Adjustments clause of the General Contract, which is entitled "General Services Acquisition Regulation 552.243-71." A

1 true and correct copy of the Equitable Adjustments clause from the General Contract is attached
2 hereto as **Exhibit A**.

3 15. Pursuant to the Equitable Adjustments clause and Dick/Morganti's Total
4 Evaluated Price proposal for the Project, Dick/Morganti, in presenting the CORs, is entitled to
5 add an 18% markup fee on the Direct Costs Dick/Morganti and its subcontractor incurred in
6 performing the changed or added work. Clearly, Dick/Morganti has a financial incentive in
7 passing on CORs from its subcontractors up to the GSA, as the approval and payment of CORs
8 increase the amount payable to both Dick/Morganti and its subcontractors and suppliers.

9 **THE CONTRACTING OFFICER'S DECISIONS ON CORs**

10 16. Unfortunately, the GSA has not, in Dick/Morganti's opinion, promptly or fairly
11 addressed and dealt with the large number of CORs on this Project. In many cases, the GSA
12 has simply rejected the CORs and directed Dick/Morganti and the subcontractors to incur the
13 costs of performing the disputed work. In a large number of other instances, the GSA has (per
14 the Equitable Adjustment provision) acknowledged that the CORs represent changed or added
15 work, but the GSA then unilaterally dictated how much it would pay Dick/Morganti and the
16 subcontractors for that changed or added work. In all but a few instances, the amount that the
17 GSA unilaterally paid on the CORs amounted to 10% to 20% of the amounts requested by
18 Dick/Morganti and its subcontractors for that changed or added work. Because those amounts
19 unilaterally dictated by the GSA did not come close to compensating for the actual costs of
20 performing the changed and added work, the GSA's inequitable handling of the CORs for the
21 Project created a huge negative financial burden for Dick/Morganti and the subcontractors.

22 17. Based on the submission of CORs, approximately 230 Change Orders (both
23 bilateral and unilateral) were issued by the GSA to Dick/Morganti on this Project. Those
24 change orders increased the General Contract Price by approximately \$10,600,000.
25 Additionally, through those change orders, the GSA agreed to extend the original completion
26 date to January 9, 2006. The unresolved CORs remain in dispute since the GSA has disputed
27 Dick/Morganti's entitlement to additional compensation and time, or at least disputed the
28 amount of additional compensation due to Dick/Morganti and its subcontractors.

18. Despite not reaching an agreement with the GSA on the pricing for many of the CORs, Dick/Morganti and the subcontractors were required to proceed with the work under protest, pursuant to the Changes Clause (FAR 52.243-4) of the General Contract. Consequently, Dick/Morganti and its subcontractors have many millions of dollars tied up in unresolved or disputed CORs, which will be included as part of Dick/Morganti's Global Claim to the GSA.

19. Pursuant to the Contract Disputes Act (41 U.S.C., § 601 et seq.), a Contracting Officer's Final Decision must be obtained on any contractor claim before that decision can be appealed to the Board of Contract Appeals. (41 U.S.C., § 606.) During this Project, the Contracting Officer issued five (5) separate Final Decisions on Dick/Morganti's claims, including some of which were presented as CORs.

APPEAL OF FINAL DECISIONS

20. The Contract Disputes Act requires that Dick/Morganti appeal any Final Decision by the Contracting Officer with which it does not agree within 90 days of that decision. (41 U.S.C., § 606.) Dick/Morganti has filed appeals for the five Final Decisions to the U.S. Civilian Board of Contract Appeals ("CBCA").

21. On March 22, 2007, the CBCA issued an Order regarding three of the five appeals, and suspended the appeals until March 15, 2008. The suspension was ordered to allow Dick/Morganti time "to prepare and to submit to the Contracting Officer an omnibus claim" and to allow the Contracting Officer time to "consider the claim and render a decision on the claim." A true and correct copy of the CBCA's March 22, 2007 Order is attached hereto as **Exhibit B**.

22. On July 12, 2007, the CBCA issued an Order regarding Dick/Morganti's appeal of the other two Final Decisions and also suspended these appeals to March 15, 2008, per the terms of the March 22, 2007 Order. A true and correct copy of the CBCA's July 12, 2007 Order is attached hereto as **Exhibit C**.

CURRENT STATUS OF GLOBAL (OMNIBUS) CLAIM

23. Dick/Morganti has completed a draft of the entitlement section of its Global Claim, which approaches 100 pages in length. This document will be supported by dozens of

1 exhibits, numerous pages of cost documentation, and detailed electronic schedule data, among
 2 other material. As more supporting data is received and analyzed, the length of the summary
 3 will likely increase.

4 24. Dick/Morganti anticipates certifying and submitting its Global Claim during
 5 November or December 2007, and expects that the total amount sought by the Global Claim
 6 (including subcontractor amounts) will be approximately \$50,000,000 to \$60,000,000.

7 25. Finalizing the Global Claim is, in large part, related to and dependent on further
 8 analysis and data from Dick/Morganti's subcontractors and suppliers for the Project because of
 9 the interrelated nature of the work. As an example, Webcor and each of the Third Party
 10 Defendants have schedule extension claims and labor productivity impact claims.

11 26. The schedule claims for each subcontractor must be considered in
 12 Dick/Morganti's analysis of the approximately 415 calendar-days of delay. To date, the GSA
 13 has only granted 58 days in non-compensable time extensions, and Dick/Morganti will be
 14 seeking compensation for most, if not all, of the 415 additional days required for the Project.
 15 The subcontractors' schedule claims must be harmonized with Dick/Morganti's overall
 16 schedule claim, including, for example, PCI's claim that they are entitled to a 461 calendar-day
 17 time extension and almost \$2,000,000 for additional time related costs.

18 27. A significant portion of the subcontractors' claims on the Project can be
 19 categorized as "labor inefficiency" claims or "labor productivity impact" claims. These claims
 20 arose from work performed out of sequence, i.e., work not performed in the same order and the
 21 same amount of time as contemplated by the original, unmodified plans and specifications.
 22 Productivity is also negatively impacted by "trade stacking" when, for example, both the
 23 electrical trade workers and the plumbing trade workers are trying to perform their tasks in the
 24 same areas at the same time. Under the original schedule, and before the defective plans and
 25 specifications created impacts to the work, the work was scheduled so that the trades could
 26 occupy certain areas of the Project and productively complete their work without having to
 27 "work around" other trades. As initial, GSA-caused delays and impacts occurred, however,
 28 certain tasks needed to be completed in an expedited manner to make up for lost time. This

1 catch-up work often involved having field personnel and their equipment working in the same
 2 area at the same time. In many cases, this decreased the efficiency of the work, and often
 3 caused Dick/Morganti and its subcontractors to incur additional costs through added labor
 4 hours. These labor inefficiency problems were experienced by almost each trade on the Project
 5 and significantly impacted the overall increased costs and time for completing the Project.

6 28. Given the interrelated nature of the claims, the subcontractors' analyses and
 7 supporting data are essential in finalizing and prosecuting the Global Claim against the GSA.

8 **THE DISPUTES CLAUSES IN THE SUBCONTRACTS**

9 29. Article 38, subsection (d), of the subcontracts is a material term upon which
 10 Dick/Morganti relies, given the complex, interrelated nature of the claims on this Project. Dick
 11 Corporation includes exact or very similar language in all of its subcontracts for large projects.

12 30. Webcor negotiated changes to Article 38 and, like the other subcontractors,
 13 agreed to be bound by the terms of the subcontract. A true a correct copy of Article 38 from
 14 Webcor's subcontract, including the underlined modifications to the subcontract, is attached
 15 hereto as **Exhibit D**.

16 31. Attached hereto as **Exhibit E** is a true and correct copy of Article 38 from the
 17 PCI subcontract. This clause is identical to Article 38 in Dick/Morganti's subcontracts with
 18 Boyett, Permasteelisa, and Rosendin. Article 38 in Dick/Morganti's subcontract with Marelich
 19 is identical to Article 38 in the PCI subcontract, except for the deletion of subsection (g).

20 **SUBCONTRACTOR CLAIMS**

21 32. On July 24, 2007, Dick/Morganti requested Webcor, Rosendin, Boyett, PCI,
 22 Permasteelisa, and Marelich to identify their claims concerning the actions by the GSA and its
 23 agents relating to the Project, present these claims to Dick/Morganit, and join with
 24 Dick/Morganti to cooperatively pursue their claims, pursuant to the provisions of their
 25 respective subcontracts with D/M. A true and correct copy of these July 24, 2007 requests to
 26 identify, present, and cooperatively pursue these claims are attached hereto as **Exhibit F**.

27 33. The problems Webcor encountered in placing, forming, and pouring the steel-
 28 reinforced concrete foundation and structural beams dramatically affected the work performed

on the Project by each of the Third Party Defendants—Boyett, Marelich, PCI, Permasteelisa and Rosendin. Until Webcor completed a substantial amount of the foundation and structure, the Third Party Defendants could not proceed with the bulk of their work on the Project. Webcor, Bay Area Reinforcing (the rebar subcontractor), and Dick/Morganti have all stated their beliefs that the GSA's design deficiencies and actions caused the delays and negative impacts to the foundations and structure. Indeed, Webcor's claim for delays and impacts to the concrete work is currently before the GSA awaiting the Contracting Officer's Final Decision. Webcor's work was completed approximately nine months later than scheduled. The late completion of Webcor's foundations and structure had a dramatic impact on the ability of the Third Party Defendants to timely start and complete their respective work. All of the resultant added costs incurred by the Third Party Defendants are related to the entitlement for Webcor's claim, and should properly be presented to the GSA as additional damages caused by the GSA's design deficiencies and actions.

BOYETT'S CLAIM

34. Boyett submitted its certified claim to Dick/Morganti on July 18, 2007, and its certification is in compliance with the Disputes clause of the General Contract. Boyett's claim is currently being analyzed and will be presented to the GSA as part of Dick/Morganti's Global Claim.

MARELICH'S CLAIM

35. Marelich has not yet submitted a certified claim to Dick/Morganti. Based on discussions with Marelich, Dick/Morganti believes Marelich's claims against the GSA consist of: a) damages arising out of the delays and productivity impacts caused by the GSA's design deficiencies on the Project; and b) costs of the changed and added work for which Marelich has not been paid, and which are included in the disputed and unresolved CORs to the GSA on the Project. These Marelich claims will be presented to the GSA as part of Dick/Morganti's Global Claim.

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2 **PCI'S CLAIM**

3 36. PCI submitted its claim and certification to Dick/Morganti on June 29, 2007.
 4 This certification does not meet the requirements in the Disputes clause of the General Contract
 5 because it apparently excludes "...items that are equal to or less than \$100,000 or any items that
 6 cannot be passed through as claims to the Government Services Administration." A true and
 7 correct copy of PCI's certification is attached hereto as **Exhibit G**, and a true and correct copy
 8 of the Disputes clause of the General Contract is attached hereto as **Exhibit H**.

9 37. PCI's claim does not otherwise clarify or justify why components of its claim
 10 under \$100,000 are not subject to the certification, and the claim is unclear as to items PCI
 11 believes "cannot be passed through as claims to the Government Services Administration."

12 38. PCI's assertion in its September 21, 2007 Brief that it is owed "\$3,005,018 for
 13 base contract work" is untrue and unsupported because it fails to account for, among other
 14 things, Dick/Morganti's valid back-charges and deletions to PCI's subcontract scope of work.
 15 PCI, as the stud wall and drywall subcontractor, refused to perform a disputed significant piece
 16 of framing work that the GSA directed Dick/Morganti to perform. Following the GSA's
 17 directive, Dick/Morganti, pursuant to its rights in the subcontract, directed PCI to perform this
 18 disputed work. Because of PCI's refusal, however, Dick/Morganti was forced to locate, hire
 19 and compensate a replacement subcontractor, Berger Brothers, to perform this work. This
 20 disputed work is the subject of one of Dick/Morganti's five current appeals to the CBCA, and
 21 Dick/Morganti's claim to the GSA for this work totals approximately \$1,700,000. Until that
 22 claim to the GSA is satisfactorily resolved and paid, Dick/Morganti has the right, under the
 23 subcontract, to withhold from PCI those amounts that Dick/Morganti paid to Berger Brothers,
 24 since PCI's subcontract obligated it to perform this disputed work. Additionally, certain work
 25 in PCI's subcontract was deleted from PCI's scope of work and the value of that deleted work is
 26 not owed to PCI, since PCI never performed it.

27 39. PCI's assertion that "[n]o change order requests had been passed through to the
 28 GSA as required by PCI's contract," as stated on page 5, lines 11-12 of PCI's September 21,

2007 brief, is false. Approximately 65 of PCI's change order requests have been made a part of Dick/Morganti's CORs to the GSA. Also of importance is that Dick/Morganti has had a very difficult time in obtaining timely and accurate pricing regarding PCI's CORs from PCI. While entitlement to additional compensation is derived from the GSA's defective design documents, until accurate pricing from its subcontractors is presented, Dick/Morganti cannot submit CORs to the GSA for consideration. For example, on the GSA's Bulletin 23 (PCI COR #17-6), PCI submitted different prices for this changed/added work at least six different times. PCI's pricing on this item was as high as \$1,115,000 and as low as its current submitted price of \$94,741. On the GSA's Bulletin 31 (PCI COR #13R2), PCI again submitted at least six different prices for this changed/added work. The highest PCI price was \$246,322, and PCI's current price is \$28,598.

40. In its September 21, 2007 brief and in the Declaration of James Strout in support of PCI's brief, PCI states that, in Dick/Morganti's June 25, 2004 letter responding to the GSA's May 5, 2004 Cure Notice, Dick/Morganti "acknowledged that it was responsible for the GSA's charges of mismanagement and promised that it would correct the problems." This characterization by PCI is incorrect and false. First, Dick/Morganti's June 25, 2004 letter makes no such acknowledgement or statement. Second, PCI ignores Dick/Morganti's May 17, 2004 specific response to the GSA's May 5, 2004 Cure Notice. A true and correct copy of Dick/Morganti's May 17, 2004 letter is attached hereto as **Exhibit I**. In that letter, Dick/Morganti makes clear that, while it is addressing the GSA's assertions and demands in its Cure Notice, Dick/Morganti reiterates its position that significant problems, delays, and impacts have previously occurred on the Project as a result of design deficiencies and the actions of the GSA. Dick/Morganti has consistently held this position throughout the Project. It should also be noted that Dick/Morganti strongly disagrees with PCI's assertions that the GSA's use of Cure Notices is "extremely rare." Dick Corporation has built numerous, large GSA construction projects and, based on my experience, while the underlying basis or rationale used by the GSA is often incorrect, GSA frequently sends Cure Notices to its contractors on such projects.

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2 41. Dick/Morganti believes that PCI's claims consist of: a) damages arising out of
3 the delays and productivity impacts caused by the GSA's design deficiencies on the Project; and
4 b) costs of the changed and added work for which PCI has not been paid and which are included
5 in the disputed and unresolved CORs to the GSA on the Project. These PCI claims will be
6 presented to the GSA as part of Dick/Morganti's Global Claim.

7 **PERMASTEELISA'S CLAIM**

8 42. Permasteelisa has not yet submitted a certified claim. In fact, Permasteelisa has
9 not submitted any backup documentation for its claim for "...additional costs in excess of
10 \$2,000,000 due to delays, disruption and storage requirements on the Project," as stated in its
11 September 14, 2007 brief. The assertions in its brief also do not account for the subcontract
12 work which Permasteelisa failed to perform and which had to be completed by Dick/Morganti.
13 Dick/Morganti believes that Permasteelisa's claims consist of: a) damages arising out of the
14 delays and productivity impacts caused by the GSA's design deficiencies on the Project; and b)
15 costs of the changed and added work for which Permasteelisa has not been paid and which are
16 included in the disputed and unresolved CORs to the GSA on the Project. These Permasteelisa
17 claims will be presented to the GSA as part of Dick/Morganti's Global Claim.

18 **ROSENDIN'S CLAIM**

19 43. Rosendin has not yet submitted a certified claim. Based on discussions with
20 Rosendin, Dick/Morganti believes that Rosendin's claims consist of: a) damages arising out of
21 the delays and productivity impacts caused by the GSA's design deficiencies on the Project; and
22 b) costs of the changed and added work for which Rosendin has not been paid and which are
23 included in the disputed and unresolved CORs to the GSA on the Project. These Rosendin
24 claims will be presented to the GSA as part of Dick/Morganti's Global Claim.

25 **WEBCOR'S CLAIM**

26 44. Webcor's claim certification was submitted to Dick/Morganti on April 10, 2007
27 and Dick/Morganti requested a Final Decision by the Contracting Officer on that claim on June
28

1 13, 2007. A true and correct copy of Dick/Morganti's request and certification is attached
 2 hereto as **Exhibit J**.

3 45. On August 13, 2007, the GSA informed Dick/Morganti that it would need
 4 additional time for issuing a Final Decision on this claim. If this claim is wholly or partially
 5 denied by the Contracting Officer, Dick/Morganti intends to appeal the denial. Because of the
 6 significant impacts to the Project from the rebar congestion and concrete finish issues, those
 7 Webcor claim issues are being incorporated into Dick/Morganti's Global Claim. A true and
 8 correct copy of the GSA's August 13, 2007 request for additional time is attached hereto as
 9 **Exhibit K**.

10 46. As detailed in the Sureties' August 10, 2007 Reply Brief, Webcor's uncertified
 11 claims (Webcor's CORs 61-65) arise out of and are related to the GSA's actions and defective
 12 design, including Webcor's COR 63 seeking \$754,825 for labor inefficiency, late excavation,
 13 and site staging. These claims are being analyzed for incorporation into Dick/Morganti's
 14 Global Claim.

15
 16
 17 I declare under penalty of perjury under the laws of the State of California that the
 18 foregoing is true and correct.

19
 20 Executed this 5th day of October, 2007 at Pittsburgh, Pennsylvania.

21 
 22 Michael T. Ambroso

Exhibit A

ATTACHMENT V

27. GSAR 552.243-71 EQUITABLE ADJUSTMENTS (APR 1984)

(a) The provisions of the "Changes" clause prescribed by FAR 52.243-4 are supplemented as follows:

(1) Upon written request, the Contractor shall submit a proposal, in accordance with the requirements and limitations set forth in the "Equitable Adjustments" clause, for work involving contemplated changes covered by the request. The proposal shall be submitted within the time limit indicated in the request or any extension of such time limit as may be subsequently granted. The Contractor's written statement of the monetary extent of a claim for equitable adjustment shall be submitted in the following form:

(i) Proposals totaling \$5,000, or less shall be submitted in the form of lump sum proposal with supporting information to clearly relate elements of cost with specific items of work involved to the satisfaction of the Contracting Officer, or his/her authorized representative.

(ii) For proposals in excess of \$5,000, the claim for equitable adjustment shall be submitted in the form of a lump sum proposal supported with an itemized breakdown of all increases and decreases in the contract in at least the following detail:

Direct Costs

Material quantities by trades and unit costs (manufacturing burden associated with material fabrication performed will be considered to be part of the material costs of the fabricated item delivered to the job site) Labor breakdown by trades and unit costs (identified with specific item of material to be placed or operation to be performed) Construction equipment exclusively necessary for the change Costs of preparation and/or revision to shop drawings resulting from the change Workmen's Compensation and Public Liability Insurance Employment Taxes under FICA and FUTA Bond Costs--when size of change warrants revision

Mark-up rate on Direct Costs

The Mark-up rate on direct costs submitted on the Total Evaluated Price by the Contractor shall be used as the rate on all equitable adjustments during both the Design Assist phase and the Construction phase.

Daily Delay Rate

The Daily Delay Rate shall be an allowable cost added to Equitable Adjustments with the following exceptions:

- (1) Daily Delay Rate shall not be allowable on any changes during the Design Assist phase which occur prior to approval of the Contractor's proposed construction schedule.
- (2) Daily Delay Rate shall not be allowable on any changes during the Design Assist phase which occur after approval of the Contractor's proposed construction schedule if the changes do not affect the Contractor's proposed start of construction.
- (3) Daily Delay Rate shall not be allowable on any changes to correct problems, which occur during construction that should have been identified during the Contractor's Constructibility Review.

Equitable adjustments for deleted work shall include credits for **direct costs plus the mark-up rate**. On proposals covering both increases and decreases in the amount of the contract, the application of the **mark-up rate** on the net change in direct costs for the Contractor or subcontractor performing the work.

(3) The Contractor shall submit with the proposal his request for time extension (if any), and shall include sufficient information and dates to demonstrate whether and to what extent the change will delay the contract in its entirety.

(4) In considering the proposal, the Government shall make check estimates in detail, utilizing unit prices where specified or agreed upon, with a view to arriving at an equitable adjustment.

(5) After receipt of a proposal the Contracting Officer shall act thereon within 30 days; provided however, that when the necessity to proceed with a change does not allow time properly to check a proposal or in the event of failure to reach an agreement on a proposal, the Government may order the Contractor to proceed on the basis of price to be determined at the earliest practicable date. Such price shall not be more than the increase or less than the decrease proposed.

(6) If a mutually acceptable agreement cannot be reached, the Contracting Officer may determine the price unilaterally.

(b) The provisions of the "Differing Site Conditions" clause prescribed by FAR 52.236-2 are supplemented as follows: The Contractor shall submit all claims for equitable adjustment in accordance with, and subject to the requirements and limitations set out in paragraph (a) of this "Equitable Adjustments".

(End of Clause)

Exhibit B



UNITED STATES
CIVILIAN BOARD OF CONTRACT APPEALS

ORDERED: March 22, 2007

CBCA 420, 450, 451

DICK/MORGANTI, A JOINT VENTURE

Appellant,

v.

GENERAL SERVICES ADMINISTRATION,

Respondent.

Kerry L. Kester and Joel D. Heusinger of Woods & Aitken, LLP, Lincoln, NE,
counsel for Appellant.

M. Leah Wright, Office of Regional Counsel, General Services Administration,
Auburn, WA, counsel for Respondent.

BORWICK, Board Judge.

On Tuesday, March 20, 2007, we held a telephonic pre-hearing conference with counsel for appellant and respondent participating. The San Francisco Building project reached substantial completion in mid-February. The parties requested a further suspension of proceedings in these appeals pending the submission of an omnibus claim to the contracting officer and a decision on that claim.

For good cause shown, these appeals are suspended until **Friday March 15, 2008**.
The suspension of proceedings will allow: (1) the appellant to prepare and to submit to the contracting officer an omnibus claim; (2) the contracting officer to consider the claim and render a decision on the claim; and (3) the appellant to file an appeal with the Board should appellant be dissatisfied with the decision of the contracting officer. Upon the filing of such

GSBCA 420, 450, 451

2

an appeal, it will be consolidated with the instant appeals and further proceedings on consolidated appeals will then be scheduled. The Board will hold a status teleconference with the parties at 2:00 p.m. EDT on **Friday, March 14, 2008.** ✓

Appellant's counsel will confer with respondent's counsel about tolling Contract Disputes Act interest on the instant appeals during the suspension period.

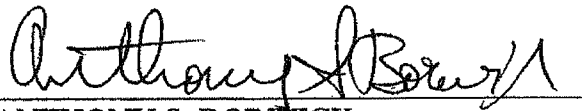

ANTHONY S. BORWICK
Board Judge

Exhibit C



**UNITED STATES
CIVILIAN BOARD OF CONTRACT APPEALS**

**ACKNOWLEDGMENT OF RECEIPT OF INFORMATION
FACSIMILE TRANSMITTAL SHEET**

DATE: July 12, 2007
FROM: DARLENE PEEBLES, SR. LSA, 202-606-8824
CBCA: DICK/MORGANTI, CBCA 420, 450, 451, 810, 818
SUBJECT: ORDER

TO: [APPELLANT]
KERRY L. KESTER, ESQ.
JOEL D. HEUSINGER, ESQ.
WOODS & AITKEN, LLP
301 S. 13TH STREET, SUITE 500
LINCOLN, NE 68502
TELEPHONE: 402-437-8513
FAX: 402-437-8558

[RESPONDENT]
M. LEAH WRIGHT, ESQ.
OFFICE OF REGIONAL COUNSEL, GSA
AUBURN, WA 98001-6599
253-931-7396
FAX: 253-931-7842

THOMAS Y. HAWKINS, ESQ.
OFFICE OF GENERAL COUNSEL, GSA
202-501-1121
FAX: 202-501-1944

SIGNATURE OF RECEIVING OFFICIAL DATE

TOTAL PAGES TRANSMITTED: 3

**UPON RECEIPT OF THIS DOCUMENT, PLEASE SIGN THIS SLIP AND RETURN
IT TO THE CIVILIAN BOARD OF CONTRACT APPEALS, 1800 F STREET, N.W.,
WASHINGTON, DC 20405. FAX: 202-606-0019**

Board of Contract Appeals

General Services Administration
Washington, D.C. 20405

ORDERED: July 12, 2007

CBCA 420, 450, 451, 810, 818

DICK/MORGANTI, A JOINT VENTURE

Appellant,

v.

GENERAL SERVICES ADMINISTRATION,

Respondent.

Kerry L. Kester and Joel D. Heusinger of Woods & Aitken, LLP, Lincoln, NE,
counsel for Appellant.

Thomas Y. Hawkins, Office of General Counsel, General Services Administration,
Washington, DC; M. Leah Wright, Office of Regional Counsel, General Services
Administration, Auburn, WA, counsel for Respondent.

BORWICK, Board Judge.

ORDER

On July 11, 2007, the appellant filed two appeals, CBCA 810 and 818, from the contracting officer's decisions on contractor claims involving the San Francisco Building project. Unless the parties object within ten days, these appeals are consolidated with CBCA 420, 450, and 451, appeals which involve the same project.

07/12/2007 11:20 FAX

CBCA 420, 450, 451, 810, 818

2

The Board's order of March 22, 2007 in CBCA 420, 450 and 451, applies to CBCA 810 and 818 and the proceedings in CBCA 810 and 818 are suspended until March 15, 2008, in accordance with that order.



ANTHONY S. BORWICK
Board Judge

Exhibit D

this Subcontract Execution of this Subcontract shall constitute Contractor's approval of Subcontractor to sublet the portions of the work for which Subcontractor customarily sublets the work. The timing, terms, and conditions of these sub-subcontracts shall be the sole responsibility of Subcontractor, and shall not be auditable by the Contractor except to the extent required for the Owner's approval of Change Orders or other Owner rights as specified in the Contract Documents.

THIRTY-SEVENTH. Severability.

If any one or more of the provisions contained in this Subcontract, for any reason, are held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Subcontract shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

THIRTY-EIGHTH. Choice of Law and Disputes.

(a) The performance of this Subcontract and all of its terms and conditions, as well as any arbitration or judicial proceeding, shall be interpreted and governed by the laws of the State of California.

(b) Subcontractor agrees that any dispute of any kind, nature or description or any controversy or claim arising out of or relating to this Subcontract or the breach thereof may, at the mutual agreed upon election of the parties, be settled by non-binding mediation or by binding arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association. In any such arbitration, full discovery will be allowed as described in the Federal Rules of Civil Procedure, and any remedy or relief granted by the arbitrator(s) shall be in accordance with the terms of this Subcontract as interpreted under and governed by the laws of the jurisdiction identified in paragraph (a), above. In any such arbitration, the arbitrator(s) shall not be empowered or authorized to add to, subtract from, delete or in any other way modify the terms of this subcontract. If arbitration is so elected by the Contractor, then judgment upon the award rendered by the arbitrator(s) may be entered in the courts having jurisdiction over this subcontract. If the parties elect to proceed by arbitration, the venue of such proceeding shall be the project area.

(c) The parties shall have the right to elect to proceed to non-binding mediation or binding arbitration, as described in paragraph (b) above, at any time prior to the commencement of a judicial proceeding by the Contractor, or in the event a judicial proceeding is instituted by the Subcontractor, at any time prior to the last day to answer and/or appear to a Summons and/or Complaint of the Subcontractor.

(d) If the Owner and the Contractor, pursuant to the General Contract or by agreement, submit any dispute, controversy, or claim between them to arbitration or some other disputes resolution procedure specified in the General Contract and such a matter involves or relates to a dispute, controversy, or claim between the Contractor and the Subcontractor, Subcontractor agrees (i) to join in and be bound by the same arbitration or other disputes resolution procedure upon written request by the Contractor and (ii) to stay any action filed by the Subcontractor until the dispute resolution and appeals process between the Contractor and the Owner is exhausted. If the Owner refuses to allow this joinder of the Subcontractor, Subcontractor agrees (i) to cooperate with the Contractor, (ii) to assist in the discovery and other preparations for the hearing, (iii) to make available its employees for testimony before or at the hearing, (iv) to share proportionately the costs and legal fees associated with the preparation for and execution of the hearing to the extent mutually agreed upon related to the amount of damage being pursued by the Contractor on Subcontractor's behalf, (v) to stay any action filed by the Subcontractor as long as the Subcontractor's position is being diligently pursued by Contractor in the Owner dispute and the Subcontractor's positions are being carried forward through the Contractor's prosecution of the claims with the Owner until the dispute resolution and appeals process between the Contractor and the Owner is exhausted, and (vi) to be bound by the results of the arbitration or other disputes resolution procedure as it relates to the dispute, controversy, or claim of the subcontractor to the extent that Subcontractor cooperated and was actively involved in this dispute resolution process.

(e) To the extent that any dispute, controversy, or claim arises hereunder and a suit is instituted, it shall be brought in and before the State or Federal Court of the project location wherein exclusive jurisdiction shall lie. Notwithstanding the above, if the Owner is joined by the Contractor in any such suit, Subcontractor hereby stipulates that it shall agree to move the suit to the venue of the project site and/or to the disputes resolution forum specified in the General Contract upon the request or motion of the Contractor.

(f) Subcontractor shall insert a provision identical to this Article Thirty-Eighth into all of its sub-subcontracts for the project. Nothing in this section shall be deemed to waive, alter or modify any condition precedent to suit contained in any other provision of the Subcontract or to give the sub-subcontractors any contractual privity with or rights against the Contractor.

(g) No action or proceeding shall lie or shall be maintained by Subcontractor against the Contractor unless such action shall be commenced within one (1) year after the date payment is mailed or otherwise made in respect of the Final Application for Payment or, if this Subcontractor or performance under this Subcontract is terminated by the Contractor, unless such action or proceeding is commenced within one (1) year after the date of such termination.

THIRTY-NINTH. Headings.

FOR THE PROJECT KNOWN AS:

GSA Federal Building, San Francisco
Subcontract Number 21058-109
GSA Contract No. GS-09P-02-KTC-0002
GSA Project No. NCA00049
COST CODE: 033000

Exhibit E

THIRTY-EIGHTH. Choice of Law and Disputes.

(a) The performance of this Subcontract and all of its terms and conditions, as well as any arbitration or judicial proceeding, shall be interpreted and governed by the laws of the State of California.

(b) Subcontractor agrees that any dispute of any kind, nature or description or any controversy or claim arising out of or relating to this Subcontract or the breach thereof may, at the mutual agreed upon election of the parties, be settled by non-binding mediation or by binding arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association. In any such arbitration, full discovery will be allowed as described in the Federal Rules of Civil Procedure, and any remedy or relief granted by the arbitrator(s) shall be in accordance with the terms of this Subcontract as interpreted under and governed by the laws of the jurisdiction identified in paragraph (a), above. In any such arbitration, the arbitrator(s) shall not be empowered or authorized to add to, subtract from, delete or in any other way modify the terms of this subcontract. If arbitration is so elected by the Contractor, then judgment upon the award rendered by the arbitrator(s) may be entered in any Court having jurisdiction thereof. If the Contractor elects to proceed by arbitration, the venue of such proceeding shall be the project area.

(c) Contractor shall have the right to elect to proceed to non-binding mediation or binding arbitration, as described in paragraph (b) above, at any time prior to the commencement of a judicial proceeding by the Contractor, or in the event a judicial proceeding is instituted by the Subcontractor, at any time prior to the last day to answer and/or appear to a Summons and/or Complaint of the Subcontractor.

(d) If the Owner and the Contractor, pursuant to the General Contract or by agreement, submit any dispute, controversy, or claim between them to arbitration or some other disputes resolution procedure specified in the General Contract and such a matter involves or relates to a dispute, controversy, or claim between the Contractor and the Subcontractor, Subcontractor agrees (i) to join in and be bound by the same arbitration or other disputes resolution procedure upon written request by the Contractor and (ii) to stay any action filed by the Subcontractor until the dispute resolution and appeals process between the Contractor and the Owner is exhausted. If the Owner refuses to allow this joinder of the Subcontractor, Subcontractor agrees (i) to cooperate with the Contractor, (ii) to assist in the discovery and other preparations for the hearing, (iii) to make available its employees for testimony before or at the hearing, (iv) to share proportionately the costs and legal fees associated with the preparation for and execution of the hearing, (v) to stay any action filed by the Subcontractor until the dispute resolution and appeals process between the Contractor and the Owner is exhausted, and (vi) to be bound by the results of the arbitration or other disputes resolution procedure as it relates to the dispute, controversy, or claim of the subcontractor.

(e) To the extent that any dispute, controversy, or claim arises hereunder and a suit is instituted, it shall be brought in and before the State or Federal Court of the project location wherein exclusive jurisdiction shall lie. Notwithstanding the above, if the Owner is joined by the Contractor in any such suit, Subcontractor hereby stipulates that it shall agree to move the suit to the venue of the project site and/or to the disputes resolution forum specified in the General Contract upon the request or motion of the Contractor.

(f) Subcontractor shall insert a provision identical to this Article Thirty-Eighth into all of its sub-subcontracts for the project. Nothing in this section shall be deemed to waive, alter or modify any condition precedent to suit contained in any other provision of the Subcontract or to give the sub-subcontractors any contractual privity with or rights against the Contractor.

(g) No action or proceeding shall lie or shall be maintained by Subcontractor against the Contractor unless such action shall be commenced within one (1) year after the date payment is mailed or otherwise made in respect of the Final Application for Payment or, if this Subcontractor or performance under this Subcontract is terminated by the Contractor, unless such action or proceeding is commenced within one (1) year after the date of such termination.

THIRTY-NINTH. Headings.

The headings inserted in this Subcontract Agreement are for convenience only and shall in no way affect the interpretation of this Agreement.

FORTIETH. Owner Approval, Succession of Interests and Modification.

It is understood and agreed that the Owner has the right to approve or disapprove the employment of this Subcontractor and in the event that the Owner does not execute the General Contract with the Contractor or does not approve this Subcontract, this Subcontract shall become null and void. This Agreement shall be binding upon and inure to the benefit of the respective heirs, executors, administrators, successors, and permitted assigns of the parties hereto, but no third party benefits are created by this Subcontract and no modification of this Agreement shall be binding upon the Contractor unless such modification is in writing and signed by the Contractor.

FORTY-FIRST. California License

California law requires that contractors and Subcontractors be licensed and regulated by the

FOR THE PROJECT KNOWN AS:

GSA Federal Building, San Francisco
Subcontract Number 21058-118
GSA Contract No. GS-09P-02-KTC-0002
GSA Project No. NCA00049
COST CODE: 092500

Exhibit F



Building Excellence for Over 80 Years!

*Michael T. Ambroso
Assistant General Counsel &
Assistant Secretary*

July 24, 2007

VIA FACSIMILE #650-524-7399
and First Class Mail

John Bowles
General Counsel
Webcor Builders
951 Mariners Island Blvd. - 7th Floor
San Mateo, CA 94404

RE: San Francisco Federal Building
Subcontractor Claims

Dear John:

As a subcontractor to Dick/Morganti ("D/M") on the above referenced Project, Webcor Builders has previously informed D/M that it believes that Webcor Builders has entitlement under Subcontract Agreement No. 21058-109 (the "Subcontract") to seek additional compensation for its unanticipated costs incurred as a result of certain events and conditions which occurred during construction of this Project. As D/M has previously informed you, D/M (on behalf of itself and its affected subcontractors) is pursuing claims for additional compensation against the GSA based on the actions and decisions of the GSA and its agents on this Project. Pursuant to D/M's contract with the GSA, D/M's claims against the GSA are being presented and prosecuted in accordance with the procedures directed in that contract.

D/M believes that its claims against the GSA on this Project relate to and involve the claims for additional compensation which Webcor Builders may have rights to assert pursuant to its Subcontract with D/M. Pursuant to subsection (d) of Article Thirty-Eighth of the Subcontract, Webcor Builders is required to join with D/M and to cooperatively pursue our respective claims relating to the actions the GSA and its agents on this Project.

By this letter, D/M is hereby requesting that Webcor Builders, pursuant to the requirements of the Subcontract, acknowledge the requirement to jointly and cooperatively pursue these claims, identify all claims that Webcor Builders may have arising out of the actions and decisions of the GSA and the GSA's agents on this Project, and to present those identified claims to D/M as soon as possible. Any such claims will be reviewed by D/M and, pursuant to the requirements of D/M's contract, will be submitted to the GSA and will be prosecuted in conjunction with D/M's claims against the GSA.



If you have any questions about this letter or the claims process, please contact the undersigned.

Sincerely,

Dick/Morganti, a Joint Venture

A handwritten signature in black ink, appearing to read "Michael T. Ambroso". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Michael T. Ambroso

MTA/lsn

cc: Vince Petito
Ron Brookfield
Bill Higgins



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*Michael T. Ambroso
Assistant General Counsel &
Assistant Secretary*

July 24, 2007

VIA FACSIMILE #408-793-5001
and First Class Mail

Larry Beltramo
Executive Vice President
Rosedin Electric
880 Mabury Road
San Jose, CA 95133

RE: San Francisco Federal Building
Subcontractor Claims

Dear Larry:

As a subcontractor to Dick/Morganti ("D/M") on the above referenced Project, Rosedin Electric has previously informed D/M that it believes that Rosedin Electric has entitlement under Subcontract Agreement No. 21058-103 (the "Subcontract") to seek additional compensation for its unanticipated costs incurred as a result of certain events and conditions which occurred during construction of this Project. As D/M has previously informed you, D/M (on behalf of itself and its affected subcontractors) is pursuing claims for additional compensation against the GSA based on the actions and decisions of the GSA and its agents on this Project. Pursuant to D/M's contract with the GSA, D/M's claims against the GSA are being presented and prosecuted in accordance with the procedures directed in that contract.

D/M believes that its claims against the GSA on this Project relate to and involve the claims for additional compensation which Rosedin Electric may have rights to assert pursuant to its Subcontract with D/M. Pursuant to subsection (d) of Article Thirty-Eighth of the Subcontract, Rosedin Electric is required to join with D/M and to cooperatively pursue our respective claims relating to the actions the GSA and its agents on this Project.

By this letter, D/M is hereby requesting that Rosedin Electric, pursuant to the requirements of the Subcontract, acknowledge the requirement to jointly and cooperatively pursue these claims, identify all claims that Rosedin Electric may have arising out of the actions and decisions of the GSA and the GSA's agents on this Project, and to present those identified claims to D/M as soon as possible. Any such claims will be reviewed by D/M and, pursuant to the requirements of D/M's contract, will be submitted to the GSA and will be prosecuted in conjunction with D/M's claims against the GSA.

Dick Corporation
Contractors, Construction Managers & Design Builders
P.O. Box 10896 Pittsburgh, PA 15236-0896 412-384-1287
mtambroso@dickecorp.com



If you have any questions about this letter or the claims process, please contact the undersigned.

Sincerely,

Dick/Morganti, a Joint Venture

A handwritten signature in black ink, appearing to read "Michael T. Ambroso". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Michael T. Ambroso

MTA/lsn

cc: Vince Petito
Ron Brookfield
Bill Higgins



Building Excellence for Over 80 Years!

*Michael T. Ambroso
Assistant General Counsel &
Assistant Secretary*

July 24, 2007

VIA FACSIMILE #510-264-9105
and First Class Mail

John Khau
Vice President
Boyett Door & Hardware
2404 Tripaldi Way
Hayward, CA 94545

RE: San Francisco Federal Building
Subcontractor Claims

Dear John:

As a subcontractor to Dick/Morganti ("D/M") on the above referenced Project, Boyett Door & Hardware has previously informed D/M that it believes that Boyett Door & Hardware has entitlement under Subcontract Agreement No. 21058-147 (the "Subcontract") to seek additional compensation for its unanticipated costs incurred as a result of certain events and conditions which occurred during construction of this Project. As D/M has previously informed you, D/M (on behalf of itself and its affected subcontractors) is pursuing claims for additional compensation against the GSA based on the actions and decisions of the GSA and its agents on this Project. Pursuant to D/M's contract with the GSA, D/M's claims against the GSA are being presented and prosecuted in accordance with the procedures directed in that contract.

D/M believes that its claims against the GSA on this Project relate to and involve the claims for additional compensation which Boyett Door & Hardware may have rights to assert pursuant to its Subcontract with D/M. Pursuant to subsection (d) of Article Thirty-Eighth of the Subcontract, Boyett Door & Hardware is required to join with D/M and to cooperatively pursue our respective claims relating to the actions the GSA and its agents on this Project.

By this letter, D/M is hereby requesting that Boyett Door & Hardware, pursuant to the requirements of the Subcontract, acknowledge the requirement to jointly and cooperatively pursue these claims, identify all claims that Boyett Door & Hardware may have arising out of the actions and decisions of the GSA and the GSA's agents on this Project, and to present those identified claims to D/M as soon as possible. Any such claims will be reviewed by D/M and, pursuant to the requirements of D/M's contract, will be submitted to the GSA and will be prosecuted in conjunction with D/M's claims against the GSA.

If you have any questions about this letter or the claims process, please contact the undersigned.

Dick Corporation
Contractors, Construction Managers & Design Builders
P.O. Box 10896 Pittsburgh, PA 15236-0896 412-384-1287
mtambroso@dickcorp.com



Sincerely,

Dick/Morganti, a Joint Venture

A handwritten signature in black ink, appearing to read "Michael T. Ambroso". The signature is fluid and cursive, with a long, sweeping horizontal line extending to the right.

Michael T. Ambroso

MTA/lsn

cc: Vince Petito
Ron Brookfield
Bill Higgins



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*Michael T. Ambroso
Assistant General Counsel &
Assistant Secretary*

July 24, 2007

VIA FACSIMILE #510-264-4925

and First Class Mail

Gene Concannon
Project Manager
Performance Contracting, Inc.
23485 Connecticut Street
Hayward, CA 94545

RE: San Francisco Federal Building
Subcontractor Claims

Dear Gene:

As a subcontractor to Dick/Morganti ("D/M") on the above referenced Project, Performance Contracting, Inc. has previously informed D/M that it believes that Performance Contracting, Inc. has entitlement under Subcontract Agreement No. 21058-118 (the "Subcontract") to seek additional compensation for its unanticipated costs incurred as a result of certain events and conditions which occurred during construction of this Project. As D/M has previously informed you, D/M (on behalf of itself and its affected subcontractors) is pursuing claims for additional compensation against the GSA based on the actions and decisions of the GSA and its agents on this Project. Pursuant to D/M's contract with the GSA, D/M's claims against the GSA are being presented and prosecuted in accordance with the procedures directed in that contract.

D/M believes that its claims against the GSA on this Project relate to and involve the claims for additional compensation which Performance Contracting, Inc. may have rights to assert pursuant to its Subcontract with D/M. Pursuant to subsection (d) of Article Thirty-Eighth of the Subcontract, Performance Contracting, Inc. is required to join with D/M and to cooperatively pursue our respective claims relating to the actions the GSA and its agents on this Project.

By this letter, D/M is hereby requesting that Performance Contracting, Inc., pursuant to the requirements of the Subcontract, acknowledge the requirement to jointly and cooperatively pursue these claims, identify all claims that Performance Contracting, Inc. may have arising out of the actions and decisions of the GSA and the GSA's agents on this Project, and to present those identified claims to D/M as soon as possible. Any such claims will be reviewed by D/M and, pursuant to the requirements of D/M's contract, will be submitted to the GSA and will be prosecuted in conjunction with D/M's claims against the GSA.



If you have any questions about this letter or the claims process, please contact the undersigned.

Sincerely,

Dick/Morganti, a Joint Venture

A handwritten signature in black ink, appearing to read "Michael T. Ambroso", with a long, sweeping horizontal line extending to the right.

Michael T. Ambroso

MTA/lsn

cc: Vince Petito
Ron Brookfield
Bill Higgins



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*Michael T. Ambroso
Assistant General Counsel &
Assistant Secretary*

July 24, 2007

VIA FACSIMILE #860-298-2009
and First Class Mail

Alan Paperny
General Counsel
Permasteelisa Cladding Technologies, Ltd.
123 Day Hill Road
P.O. Box 767
Windsor, CT 06095

RE: San Francisco Federal Building
Subcontractor Claims

Dear Alan:

As a subcontractor to Dick/Morganti ("D/M") on the above referenced Project, Permasteelisa Cladding Technologies, Ltd. has previously informed D/M that it believes that Permasteelisa Cladding Technologies, Ltd. has entitlement under Subcontract Agreement No. 21058-108 (the "Subcontract") to seek additional compensation for its unanticipated costs incurred as a result of certain events and conditions which occurred during construction of this Project. As D/M has previously informed you, D/M (on behalf of itself and its affected subcontractors) is pursuing claims for additional compensation against the GSA based on the actions and decisions of the GSA and its agents on this Project. Pursuant to D/M's contract with the GSA, D/M's claims against the GSA are being presented and prosecuted in accordance with the procedures directed in that contract.

D/M believes that its claims against the GSA on this Project relate to and involve the claims for additional compensation which Permasteelisa Cladding Technologies, Ltd. may have rights to assert pursuant to its Subcontract with D/M. Pursuant to subsection (d) of Article Thirty-Eighth of the Subcontract, Permasteelisa Cladding Technologies, Ltd. is required to join with D/M and to cooperatively pursue our respective claims relating to the actions the GSA and its agents on this Project.

By this letter, D/M is hereby requesting that Permasteelisa Cladding Technologies, Ltd., pursuant to the requirements of the Subcontract, acknowledge the requirement to jointly and cooperatively pursue these claims, identify all claims that Permasteelisa Cladding Technologies, Ltd. may have arising out of the actions and decisions of the GSA and the GSA's agents on this Project, and to present those identified claims to D/M as soon as possible. Any such claims will be reviewed by D/M and, pursuant to the requirements of D/M's contract, will be submitted to the GSA and will be prosecuted in conjunction with D/M's claims against the GSA.

Dick Corporation
Contractors, Construction Managers & Design Builders
P.O. Box 10896 Pittsburgh, PA 15236-0896 412-384-1287
mtambroso@dickcorp.com



If you have any questions about this letter or the claims process, please contact the undersigned.

Sincerely,

Dick/Morganti, a Joint Venture

A handwritten signature in black ink, appearing to read "Michael T. Ambroso". The signature is fluid and cursive, with a long, sweeping horizontal line extending from the end of the name.

Michael T. Ambroso

MTA/lsn

cc: Vince Petito
Ron Brookfield
Bill Higgins



Building Excellence for Over 80 Years!

*Michael T. Ambroso
Assistant General Counsel &
Assistant Secretary*

July 24, 2007

VIA FACSIMILE #510-785-7711
and First Class Mail

Ann Nejasmich
General Counsel
Marelich Mechanical Co., Inc.
24041 Amador Street
Hayward, CA 94544-1201

RE: San Francisco Federal Building
Subcontractor Claims

Dear Ann:

As a subcontractor to Dick/Morganti ("D/M") on the above referenced Project, Marelich Mechanical Co., Inc. has previously informed D/M that it believes that Marelich Mechanical Co., Inc. has entitlement under Subcontract Agreement No. 21058-104 (the "Subcontract") to seek additional compensation for its unanticipated costs incurred as a result of certain events and conditions which occurred during construction of this Project. As D/M has previously informed you, D/M (on behalf of itself and its affected subcontractors) is pursuing claims for additional compensation against the GSA based on the actions and decisions of the GSA and its agents on this Project. Pursuant to D/M's contract with the GSA, D/M's claims against the GSA are being presented and prosecuted in accordance with the procedures directed in that contract.

D/M believes that its claims against the GSA on this Project relate to and involve the claims for additional compensation which Marelich Mechanical Co., Inc. may have rights to assert pursuant to its Subcontract with D/M. Pursuant to subsection (d) of Article Thirty-Eighth of the Subcontract, Marelich Mechanical Co., Inc. is required to join with D/M and to cooperatively pursue our respective claims relating to the actions the GSA and its agents on this Project.

By this letter, D/M is hereby requesting that Marelich Mechanical Co., Inc., pursuant to the requirements of the Subcontract, acknowledge the requirement to jointly and cooperatively pursue these claims, identify all claims that Marelich Mechanical Co., Inc. may have arising out of the actions and decisions of the GSA and the GSA's agents on this Project, and to present those identified claims to D/M as soon as possible. Any such claims will be reviewed by D/M and, pursuant to the requirements of D/M's contract, will be submitted to the GSA and will be prosecuted in conjunction with D/M's claims against the GSA.



If you have any questions about this letter or the claims process, please contact the undersigned.

Sincerely,

Dick/Morganti, a Joint Venture

A handwritten signature in black ink, appearing to read "Michael T. Ambroso". The signature is fluid and cursive, with a long, sweeping horizontal line extending to the right.

Michael T. Ambroso

MTA/lsn

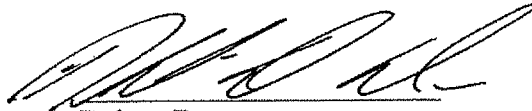
cc: Vince Petito
Ron Brookfield
Bill Higgins

Exhibit G

CERTIFICATION

I certify that the aforementioned claim is made in good faith; that the supporting data is accurate and complete to the best of my knowledge and belief; that the amount requested accurately reflects the contract adjustment for which Performance Contracting, Inc., believes the Government is liable; and that I am duly authorized to certify the claim on behalf of Performance Contracting, Inc. Excluded from this Certification are any items that are equal to or less than \$100,000.00 or any items that cannot be passed through as claims to the Government Services Administration.

Dated: June 29, 2007

A handwritten signature in black ink, appearing to read 'R. Dean', is written over a horizontal line.

Robert Dean
Performance Contracting, Inc.
Operations Manager

Exhibit H

liability to the Government for infringement of a patent of the United States shall be determined solely by the provisions of the indemnity clause, if any, included in this contract or any subcontract hereunder (including any lower-tier subcontract), and the Government assumes liability for all other infringement to the extent of the authorization and consent hereinabove granted.

(b) The Contractor agrees to include, and require inclusion of, this clause, suitably modified to identify the parties, in all subcontracts at any tier for supplies or services (including construction, architect-engineer services, and materials, supplies, models, samples, and design or testing services expected to exceed the simplified acquisition threshold); however, omission of this clause from any subcontract, including those at or below the simplified acquisition threshold, does not affect this authorization and consent.

(End of Clause)

8 FAR 52.233-1 DISPUTES (DEC 1998)

(a) This contract is subject to the Contract Disputes Act of 1978, as amended (41 U.S.C. 601-613).

(b) Except as provided in the Act, all disputes arising under or relating to this contract shall be resolved under this clause.

(c) "Claim," as used in this clause, means a written demand or written assertion by one of the contracting parties seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of contract terms, or other relief arising under or relating to this contract. A claim arising under a contract, unlike a claim relating to that contract, is a claim that can be resolved under a contract clause that provides for the relief sought by the claimant. However, a written demand or written assertion by the Contractor seeking the payment of money exceeding \$100,000 is not a claim under the Act until certified as required by subparagraph (d)(2) of this clause. A voucher, invoice, or other routine request for payment that is not in dispute when submitted is not a claim under the Act. The submission may be converted to a claim under the Act, by complying with the submission and certification requirements of this clause, if it is disputed either as to liability or amount or is not acted upon in reasonable time.

(d)(1) A claim by the Contractor shall be made in writing and, unless otherwise stated in this contract, submitted within 6 years after accrual of the claim to the Contracting Officer for a written decision. A claim by the Government against the Contractor shall be subject to written decision by the Contracting Officer.

(2)(i) The Contractor shall provide the certification specified in paragraph (d)(2)(iii) of this clause when submitting any claim exceeding \$100,000.

(ii) The certification requirement does not apply to issues in controversy that have not been submitted as all or part of a claim.

(iii) The certification shall state as follows: "I certify that the claim is made in good faith; that the supporting data are accurate and complete to the best of my knowledge and belief; that the amount requested accurately reflects the contract adjustment for which the Contractor believes the Government is liable; and that I am duly authorized to certify the claim on behalf of the Contractor."

(3) The certification may be executed by any person duly authorized to bind the Contractor with respect to the claim.

(e) For Contractor claims of \$100,000 or less, the Contracting Officer must, if requested in writing by the Contractor, render a decision within 60 days of the request. For Contractor-certified claims over \$100,000, the Contracting Officer must, within 60 days, decide the claim or notify the Contractor of the date by which the decision will be made.

(f) The Contracting Officer's decision shall be final unless the Contractor appeals or files a suit as provided in the Act.

(g) If the claim by the Contractor is submitted to the Contracting Officer or a claim by the Government is presented to the Contractor, the parties, by mutual consent, may agree to use alternative dispute resolution (ADR). If the Contractor refuses an offer for ADR, the Contractor shall inform the Contracting Officer, in writing, of the Contractor's specific reasons for rejecting the offer.

(h) The Government shall pay interest on the amount found due and unpaid from (1) the date that the Contracting Officer receives the claim (certified, if required); or (2) the date that payment otherwise would be due, if that date is later, until the date of payment. With regard to claims having defective certifications, as defined in FAR 33.201, interest shall be paid from the date that the Contracting Officer initially receives the claim. Simple interest on claims shall be paid at the rate, fixed by the Secretary of the Treasury as provided in the Act, which is applicable to the period during which the Contracting Officer receives the claim and then at the rate applicable for each 6 month period as fixed by the Treasury Secretary during the pendency of the claim.

(i) The Contractor shall proceed diligently with performance of this contract, pending final resolution of any request for relief, claim, appeal, or action arising under or relating to the contract, and comply with any decision of the Contracting Officer.

(End of clause)

9 FAR 52.236-13 ACCIDENT PREVENTION (NOV 1991)

(a) The Contractor shall provide and maintain work environments and procedures which will -

(1) safeguard the public and Government personnel property, materials, supplies, and equipment exposed to Contractor operations and activities; (2) avoid interruptions of Government operations and delays in project completion dates; and (3) control costs in the performance of this contract.

(b) For these purposes on contracts for construction or dismantling, demolition, or removal of improvements, the Contractor shall---

(1) Provide appropriate safety barricades, signs, and signal lights;

(2) Comply with the standards issued by the Secretary of Labor at 29 CFR Part 1926 and 29 CFR Part 1910; and

(3) Ensure that any additional measures the Contracting Officer determines to be reasonably necessary for the purposes are taken.

(c) If this contract is for construction or dismantling, demolition or removal of improvements with any Department of Defense agency or component, the Contractor shall comply with all pertinent provisions of the latest version of U.S. Army Corps of Engineers Safety and Health Requirements Manual, EM 385-1-1, in effect on the date of the solicitation.

(d) Whenever the Contracting Officer becomes aware of any noncompliance with these requirements or any condition which poses a serious or imminent danger to the health or safety of the public or Government personnel, the Contracting Officer shall notify the Contractor orally, with written confirmation, and request immediate initiation of corrective action. This notice, when delivered to the Contractor or the Contractor's representative at the work site, shall be deemed sufficient notice of the noncompliance and that corrective action is required. After receiving the notice, the Contractor shall immediately take corrective action. If the Contractor fails or refuses to promptly take corrective action, the Contracting Officer may issue an order stopping all or part of the work until satisfactory corrective action has been taken. The

Exhibit I



May 17, 2004
Letter No. 21058-1399

U. S. General Services Administration
450 Golden Gate Avenue
San Francisco, CA 94102

Attn: Constance Russell, Contracting Officer

Re: New San Francisco Federal Office Building
Project No. NCA00049
Contract No. GS-09P-02-KTC-0002

Subject: Response to Cure Notice

Dear Ms. Russell:

We are in receipt of the GSA's notice to cure dated May 5, 2004. We want to assure you that Dick/Morganti, JV (D/M) understands the concerns raised by the GSA in that letter. This letter, along with its enclosures, will supply the GSA with the four specific deliverables requested by your May 5, 2004 correspondence. The following are D/M's responses to the issues raised in GSA's letter.

I. Concrete Quality Issues:

At the outset, D/M acknowledges the GSA's contentions relating to form construction and the resultant vertical concrete finish quality. D/M is particularly sensitive to these issues because the D/M team members have a wealth of experience building large, complex GSA projects on time, on budget and with the level of quality acceptable to GSA. In fact, the D/M team members have received numerous awards in the past from GSA, other federal agencies and additional entities for both excellence in construction generally and concrete construction in particular. Therefore, **D/M can unequivocally assure the GSA that it can and will deliver the concrete work on the project at the level of quality required by the contract.**

The specific steps which D/M has and will implement to ensure that the GSA's requirements are satisfied in regards to concrete formwork and the resultant vertical concrete finish, include, but are not limited to:

1. Webcor's retention of a formwork engineer to examine current formwork systems and practices and recommend changes designed to cure previous formwork alignment, leakage, and finish problems.
2. A demand that D/M's concrete subcontractor replace certain personnel, including two foremen and Daniel Payne, who have been identified as being associated with previous quality problems. (Note that Daniel Payne's duties on the project have been assumed by Eric Peterson.) Also, D/M has required that the subcontractor's upper management become more engaged in the project. This latter demand has resulted in Webcor's vice-president of operations being on site full-time for the last two

- weeks and for the foreseeable future, the addition of a full time QC inspector, and an increase in the number of assistant superintendents Webcor has assigned to the job.
3. D/M's assignment to the project of two new assistant superintendents and a new inspector who will be exclusively devoted to managing the concrete work. These individuals will verify the quality of the formwork prior to all concrete pours (see paragraph 4, below) and no pour may commence without the approval of at least one of these individuals.
 4. The institution of a **revised Quality Control Plan** (see enclosed) which not only reflects D/M's role as quality coordinator on the project, but specifically addresses previous quality issues by providing the newly assigned assistant superintendents with project specific checklists regarding formwork preparation and quality, as well as mandating additional rebar inspections, a full time surveyor to verify pre- and post-concrete pour formwork locations and other oversight of the concrete work on the project. In addition, D/M is considering retaining other concrete formwork engineers to independently examine and evaluate the formwork issues on the project and to recommend any changes which will enhance productivity and/or quality. Among the individuals or firms under consideration for this work are Shilstone & Associates of Dallas, Texas.
 5. D/M has assigned a new project executive team that will be on site starting May 18, 2004. While these staff changes are not specifically made to address concrete quality issues, these are changes intended to promote better coordination and administration on the project.

As you can see from your review of the foregoing, D/M is not only meeting its contract obligations, but in certain cases is exceeding the requirements of the contract in order to respond to the issues raised in the GSA's May 5th letter. We are confident that, with these additional measures, the GSA will have no reason to question the quality of the concrete work on the project.

In summary, D/M agrees that the contract specifies the level of quality required for concrete construction. D/M has in the past, and will continue to, take all actions necessary to achieve that level of quality. D/M respectfully disagrees, however, with the assertion in GSA's letter that the contract requires that D/M achieve a "Class A Finish" to meet its obligations. Specification Section 3100 ("Concrete Formwork") Part 1.1 (A), as well as Specification Section 3300 ("Cast in Place Concrete") Part 1.1 (D) both call for D/M to provide a "Smooth Form Finish". Nevertheless, it should be pointed out that D/M and GSA's Architect/Engineer personnel seem to be in agreement as to what installed concrete finish work meets the contract requirements on this project.

II. Project Completion Date Issues:

As can be seen from the above, D/M considers that fulfilling its contractual obligations to the GSA is a matter of utmost importance. Therefore, **D/M wants to assure the GSA that it can and will perform the construction services required by the contract.** As with the concrete issues discussed in the GSA's letter, if D/M needs to modify its means and methods or supplement its personnel in order to meet its contractual obligations, then it will do so.

Certainly, D/M is aware that the original contract completion date for this project was November 12, 2005. As the GSA is aware, when D/M updated the approved schedule to account for certain GSA caused events and the rebar congestion problem (see D/M letter 21058-1399) which have occurred on this project, the schedule projected a completion date of August 2006, which was unacceptable to both the GSA and D/M. In order to mitigate project delays and to recover as much of this time as possible, D/M first accelerated its concrete performance by adding additional men to the size of the

work crews and instituting a plan to double shift its crews on the project. However, while mitigating some of the delay, this methodology negatively impacted the productivity of the workers involved and also seemed to impact the quality of construction required by the contract. Therefore, D/M revised its acceleration plans and is currently running its concrete crews on a 12-hour shift schedule and double shifting its rebar and crane crews, which increases the amount of work produced on a given day while meeting the level of quality required by the contract.

Based upon the foregoing accelerated shift schedule, as well as other management changes recently implemented by D/M, we are enclosing our **Recovery Schedule which realistically demonstrates how D/M will achieve project completion while meeting the level of quality construction required by the contract.** You will note that the enclosed schedule shows an impacted project substantial completion date of February 8, 2006. Please be advised that this change to the substantial completion date is not due to any previously discussed quality problems encountered with the concrete work on the project, which have been mitigated as described above. Rather, the revised substantial completion date results from unforeseeable causes beyond the control and without the fault of D/M, which have occurred since the effective date of the Notice to Proceed. While D/M has addressed these issues through previous correspondence and, therefore, will not detail them here, these causes include, but are not limited to:

1. Unforeseen groundwater conditions referred to in Information Bulletin ("IB") #10 (at least 19 days);
2. The addition to the project of over approximately 125 tons of reinforcing steel described in IBs #5 and 7 (at least 28 days); and
3. The fire on S line, which delayed the project by at least 15 days.

III. Conclusion

Please be advised that D/M continues to look for methods to improve the substantial completion date shown in our recovery schedule, such as D/M's retention of a structural engineer to determine if the current amount of reshoring on the project can be safely decreased in order to substantially improve the start dates of successor activities. (It should also be noted that the revised substantial completion date reflects the acceleration of work undertaken by D/M to make up for lost time caused by the rebar congestion problems.) However, the fact that the current delay to the substantial completion date arises from unforeseeable causes beyond the control and without the fault or negligence of D/M leads to the following conclusions:

1. A termination for default would be improper and unjustified under FAR 52.249-10(b) and therefore, not in the GSA's interest; and
2. The original contract completion date can only be met through significant acceleration expense to the GSA.

D/M and its constituent members are proud of the fact that they are not only constructing this project for the GSA, but are also currently performing on over a dozen other federal government contracts. Obviously, this relationship is beneficial to all parties, including the GSA.

Of course, no written submission can completely cover all of the issues presented by a project of this magnitude or anticipate all questions which may be raised by the material transmitted herewith. Therefore, we suggest that a meeting occur after you and your staff have reviewed the enclosed, so that we can more fully explain the steps we are taking to respond to the GSA's concerns and answer

any questions you may have. Hopefully, this meeting will be the first step in the constant communication between us necessary to successfully complete this important project.

D/M trusts that GSA will agree that, with this letter and the attached information, D/M has met each of the four requests set forth in GSA's May 5, 2004 letter.

Very Truly Yours,

Dick/Morganti, JV

Don F. Cooper *brjg*

Don F. Cooper
President, Building Division

Enclosures

CC: J. Sebastian
R. Brookfield
AON
File

Exhibit J



Building Excellence for Over 80 Years!

Michael T. Ambroso
Assistant General Counsel &
Assistant Secretary

June 13, 2007

Shelita Harper
Contracting Officer
General Services Administration
PBS, Property Development Div., 9PCE
450 Golden Gate Ave., 3rd Floor West
San Francisco, CA 94102-3434

RE: San Francisco Federal Office Building
Contract No. GS-09P-02-KTC-0002
Claim Under Contract Disputes Act

Dear Ms. Harper:

Dick/Morganti, A Joint Venture, on behalf of one of its subcontractors (Webcor Construction, Inc.), hereby submits a claim pursuant to the Contract Disputes Act, 41 U.S.C. Section 601, et seq. The explanation of the entitlement for this claim, as well as an identification of Webcor's claimed damages, are contained in the attached binder (two copies attached). Please note that Dick/Morganti's signed Certification for this Claim is attached to this letter.

The attached claim requests compensation for the damages incurred by Webcor as a result of the rebar congestion and additional concrete finish requirements on this Project. Please note, however, that Dick/Morganti and other subcontractors also incurred delays and additional costs as a result of these problems for which we believe the GSA is responsible. Dick/Morganti reserves the right to submit claims for additional compensation, on behalf of itself and its other subcontractors, arising out of these and other events on the Project. These other claims will be submitted as soon as possible.

Dick/Morganti respectfully requests a Contracting Officer's Final Decision on this submitted claim within sixty (60) days, as specified in the Contract Disputes Act.



Shelita Harper
Contracting Officer
General Services Administration
June 13, 2007
Page 2

Please contact the undersigned with any questions.

Sincerely,

DICK CORPORATION

A handwritten signature in black ink, appearing to read "Michael T. Ambroso", with a long, sweeping horizontal line extending to the right.

Michael T. Ambroso

MTA/lsn
enclosure

cc: Bill Higgins (w/o enclosure)
Joel Heusinger, Esq. (w/o enclosure)
Ken Jones, Esq. (w/o enclosure)
Vince Petito (w/o enclosure)

CLAIM CERTIFICATION

DICK/MORGANTI, A JOINT VENTURE
UNITED STATES FEDERAL OFFICE BUILDING
SAN FRANCISCO, CALIFORNIA
GSA Contract No. GS-09P-02-KTC-0002

I certify that the claim is made in good faith; that the supporting data are accurate and complete to the best of my knowledge and belief; that the amount requested accurately reflects the contract adjustment for which the contractor believes the Government is liable; and that I am duly authorized to certify the claim on behalf of the contractor.

SIGNATURE

NAME

TITLE

DATE

William L. Higgins
William L. Higgins
EXEC. V. Pres & COO
6/13/07

Exhibit K



August 13, 2007

Dan Martin
Dick/Morganti
P.O. Box 10896
Pittsburg, PA 15236-0896

Regarding: New San Francisco Federal Office Building
GSA Project No. NCA00049
GSA Contract No. GS-09P-02-KTC-0002

Subject: Webcor Construction COR 60

Dear Mr. Martin,

The Government is in receipt of your letter dated June 13, 2007 regarding a Claim Pursuant to the Contract Disputes Act, 41 U.S.C. Section 601, for the above mentioned project. At this time, you are hereby notified that the Government requires an additional 60 days to reconsider your claim and issue a decision.

Sincerely,

A handwritten signature in black ink, appearing to read "Shelita Harper".

Shelita Harper
Contracting Officer
Property Development Division, 9PCE

cc:

Meg Haggerty, 9L
Maria Ciprazo, GSA
Monsy Agleham, GSA
David Proctor, Hunt
File